India's Mental Health Budget 2026: Confronting the Triple Deficit of Funding, Access, and Workforce

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Seven out of ten Indians who need mental health care will never receive it and Union Budget 2026 tells us why. Mental health in India has always existed under-recognised. I say this because everyone knows mental health matters, yet few seek help or feel truly supported when they struggle. Over the years, conversations around anxiety, burnout, depression, and suicide have slowly entered public discourse. This conversation became especially significant especially after the pandemic. But access to care, trained professionals, and even basic awareness remain uneven and deeply unequal.

Contrary to this reality, Indian Budget 2026 brought a moment of cautious optimism. Union Finance Minister Nirmala Sitharaman announced the government's intention to establish a second campus of the National Institute of Mental Health and Neuro

Sciences (NIMHANS-2) in North India. This is accompanied with upgrades to national mental health institutes in Ranchi and Tezpur. On paper, this seems like progress but when we step back and look at how mental health actually plays out in people's daily lives, a deeper concern emerges. India's challenge is not just a lack of institutions. It is a "**triple deficit**" of— accessible infrastructure, trained professionals (particularly psychologists), and lack of a genuine focus on wellbeing beyond illness. While the presence of policies indicates intent, however the impact is weakened due to fragmented Centre-State coordination and feeble implementation. Mostly the mental health gets less priority within the state budgets and lacks proper monitoring. This widens the gap between policy design and ground implementation.

The Institutional Shift

Mental health policy in India has largely been shaped by emergencies like rising suicide rates, psychiatric disorders, and crisis intervention. These are undeniably important. But mental health is not only about preventing people from falling apart; it is also about helping them stay whole. Budget 2026 arrives at a time when distress is no longer limited to clinical diagnoses. Students are exhausted, professionals are burned out, families are stretched thin, and loneliness is becoming a quiet epidemic. Yet, support systems remain fragmented and hard to access unless one reaches a breaking point.

This opinion piece argues that while Budget 2026 makes a meaningful start by strengthening tertiary institutions, it still falls short of addressing the everyday mental health needs of ordinary Indians**.** Without tackling the triple deficit, India's mental health system will continue to feel distant from the people it is meant to serve.

Deficit 1: Big Institutions Matter but They Are Not Enough

The announcement of "NIMHANS 2" is significant. A North India campus thought after the Bengaluru-based institute promises advanced psychiatric care, trauma management, academic training, and research in psychology and neurosciences. For a country where specialised mental health institutions are clustered in a few regions, this is a welcome move. However, institutions like NIMHANS cater to a small fraction of the population. According to the Ministry of Health and Family Welfare**,** between 70% and 92% of Indians with mental disorders do not receive proper treatment. This gap exists not because people do not suffer, but because help is either unavailable, unaffordable, or socially discouraged.

For someone in a small town dealing with chronic anxiety, workplace stress, or emotional exhaustion, a premier institute hundreds of kilometres away offers little comfort. Mental health care cannot remain hospital-centric and urban-focused. Without strong

community-level services, referral networks, and primary psychological care, even the best institutions risk becoming inaccessible symbols rather than lived solutions. Hence, it becomes important that Tier 3and Tier 4 cities should be the focus for the government. Alongside infrastructure there should be more focus on creating advocacy and awareness in India.

Deficit 2: The Missing Conversation

One of the most striking silences in Budget 2026 is around psychologists. While the shortage of psychiatrists is often discussed, Indian Journal of Psychiatry mentions that India has only 0.75 psychiatrists per 100,000 people. This is far below the WHO recommendation and that is not it, the situation for psychologists is far more alarming. India has only around 2,900–3,000 registered clinical psychologists for a population exceeding 1.4 billion.

To put this into perspective, experts estimate that India needs nearly one million psychologists and 30–35 million counsellors to address everyday stressors like academic pressure, job insecurity, family conflict, grief, and loneliness. A recent study in the Indian Journal of Clinical Psychology points out that even among those registered, very few are actively practising. Furthermore, the shortage of psychiatrists is mainly due to limited training capacity, unclear licensing pathways, and limited state funding to support mental health concerns. Hence, we need to understand the gap that exists in required and existing mental health professionals.

Although, the budget does mention the expansion of Allied Health Professional (AHP) institutions, including Applied Psychology and Behavioural Health, with a plan to add 100,000 AHPs over five years. This can and should be seen as a first step. But without clear licensing structures, clinical training pathways, funding for psychology institutions, and integration into public health systems, this effort risks remaining symbolic. Mental health cannot be built without people. And right now, India simply does not have enough trained professionals to meet the demand.

Deficit 3: When Mental Health Is Only About Illness, We All Lose

Perhaps the most important gap in budget 2026 is not what it says, but what it assumes: that mental health is primarily about treating disorders. In reality, most people struggling today do not meet diagnostic criteria for mental illness. They are overwhelmed, anxious, emotionally tired, and unsure where to turn. This is where wellbeing promotion matters. Mental health is not just a medical issue; it is a developmental one. The WHO estimates that between 2012 and 2030, India stands to lose **$1.03 trillion** in economic

output due to mental health conditions. This loss stems from the "hidden" costs of productivity:

The United Nations Sustainable Development Goals (SDGs), particularly Goal 3, emphasise health and wellbeing. Research published in the British Medical Journal shows that better Quality of Life reduces the risk of non-communicable diseases like diabetes, hypertension, and heart disease by encouraging healthier behaviours and emotional resilience.

In simple terms, when people feel mentally supported, they take better care of their bodies too. Yet, India's mental health spending remains overwhelmingly reactive—focused on crisis rather than care, illness rather than flourishing.

What can be done: Using the Budget Better, Not Just Criticising It

Despite these deficits, it is important to recognise that budget 2026 offers opportunities, if used creatively. India already has initiatives like Tele MANAS. Expanding this platform with dedicated lines for everyday concerns could normalise help-seeking. With relatively modest funding (around ₹150 crore), more counsellors and AI-supported triage systems could dramatically expand reach.

Destigmatisation campaigns are another missed opportunity. Allocating ₹100–200 crore for sustained, multilingual campaigns across television, radio, and social media could present counselling as routine self-care, not a last resort. When people see mental health conversations in familiar languages and faces, shame begins to loosen.

At the community level, training ASHA and Anganwadi workers to recognise distress and guide people toward support would bridge the urban–rural gap. This can be done by providing the ASHA and Anganwadi workers with certified mental health course and constant refreshers training and referral linkage to district psychologists. Next, schools and workplaces could introduce wellbeing modules, while digital tools offering free self-assessments could extend access in cities. Integrating counselling into Ayushman Bharat, subsidising psychology education, and offering tax incentives for affordable clinics would create a system where care is not a privilege, but a norm. Lastly, the Ministry of Health can encourage the use of Tele-MANAS and take proactive steps in recruiting and deploying counsellors at state and district levels. Success of all such initiatives can be measured through call volumes of Tele-MANAS received and resolved, reduction in untreated cases, and increase in district level usage of mental health services and facilities.

According to the World Health Organization, India is expected to lose $1.03 trillion between 2012 and 2030 due to mental health conditions. This loss cannot be prevented by crisis management alone. Budget 2026 takes an important step by recognising mental health at the institutional level. But real change will come only when policy shifts from treating illness to nurturing wellbeing, from building hospitals to building human capacity, and from reacting to distress to preventing it.

Mental health is not just about saving lives, rather it is about helping people live better ones. Addressing the triple deficit is not a luxury; it is an economic, social, and moral necessity. The budget has opened a conversation. The question now is whether we are willing to listen; to professionals, to communities, and to the quiet struggles of everyday Indians.

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